

# FEDERAL B. AREA ASSOCIATION OF TRADE & INDUSTRY, KARACHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2014

## 1) STATUS

The Association was granted licence u/s. 3 of the Trade Organization Ordinance 1961 on 20th May, 1989 by the Ministry of Commerce, Government of Pakistan, Islamabad, on the condition that it should be registered under the Companies Ordinance 1984 as a Company with limited liability without the addition of the words (Guarantee) limited to its name. Consequently the Company was registered under the Companies Ordinance 1984 vide registration # K-01504/89-90 dated 23-07-1989 as a Company limited by guarantee u/s. 42 of Companies Ordinance 1984, as non profit organization. The Company is registered with unlimited number of members therefore it is Public Company within the meaning of Rule 6(4)(l) of the Companies Rules 1985.

Its main objects include amongst other objects as per its Memorandum of Association are as under:

(i) To advance, develop, protect, safeguard and promote the rights, interest and privileges of the traders and industrialist in the area.

(ii) To organize individuals, firms, companies and corporation engaged in various trade & industries in the area covered by its members.

(iii) To render, technical, managerial, supervisory assistance to members.

(iv) To elect or nominate members to represent the association on any local and public bodies.

(v) To raise funds to meet the expenses of the association and to sell, mortgage dispose of or otherwise deal with all or any part of property of the Association.

Last year, the Government has withdrawn the Trade Orginazations Ordinance 1961 and promalgated a new Trade Organization Ordinance, 2007 requiring fresh registration of the Associations. This Association has also got fresh registration under Liciense # 27 dated May 19, 2008.

## 2) SIGNIFICANT ACCOUNTING POLICIES:

### 2.1) ACCOUNTING CONVENTION:

These accounts have been prepared under the Historical Cost Convention.

### 2.2) TAXATION:

No tax liability is recorded on the Association's Income as it is exempted from tax.

### 2.3) FIXED ASSETS:

Fixed Assets are stated at cost less accumulated depreciation. Work in Progress is stated at cost. Depreciation is charged on the rates prescribed under the Income Tax Ordinance, 2001 On disposal of assests gain is recognized in the income and expenditur account or loss is charged to the same account. No depreciation is charged on assets dispose off during the year.

### 2.4) REVENUE RECOGNITION:

Revenue recognized as annual suscription, various other contributions, admission fee, NOCs for water, electricity and gas installation, attestation of documents, registration and visa recommendation fee are received from members.

